

MUNICIPAL SERVICES AUTHORITY (MSA) AGENDA

Agenda materials may be viewed on the Agency's web site or by contacting the Executive Director prior to the meeting.

REGULAR MEETING
February 18, 2016
1:30 p.m.

Dublin Civic Center
Regional Meeting Room
100 Civic Plaza, First Floor
Dublin, CA 94568

1. CALL TO ORDER

2. PUBLIC COMMENT

Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

3. APPROVAL OF CONSENT AGENDA

Consent agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Executive Committee, staff or public request specific items to be removed for separate action.

A. Approval of **November 19, 2015** Minutes

Action

4. TREASURER'S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through December 2015

Information

5. OLD BUSINESS - None

6. NEW BUSINESS

A. Consider Amendments to the Restated Joint Powers Agreement to provide that the JPA will indemnify Member Agencies and to add Associate Membership status

Action

B. Authorize the Appointment of a Board Secretary

Action

7. ADJOURN

The next Meeting will take place on May 19, 2016 at 1:00 p.m. in Larkspur.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Richard Averett at (650) 587-7301. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

**MUNICIPAL SERVICES AUTHORITY
BOARD OF DIRECTORS MINUTES
NOVEMBER 19, 2015**

The Municipal Services Authority held a regular meeting of the Board of Directors on November 19, 2015 at Yountville Community Hall Art Room. The meeting was called to order at 8:52 a.m.

1. CALL TO ORDER

Members Present: Ken Nordhoff, Chair
Dan Schwarz, Vice-Chair
Steve Rogers, Member
Other Attendees: Richard Averett, Executive Director
Jennifer Bower, Director of Administrative Services
Julie Carter, RGS Executive Committee Member

2. PUBLIC COMMENT – None.

3. APPROVAL OF CONSENT AGENDA

A. Approval of **August 27, 2015** Minutes
Action: Moved and seconded (Schwarz/Nordhoff) to approve consent agenda items.
AYES: Nordhoff, Schwarz, Rogers
NOES: None
ABSTAIN: None

4. TREASURER’S REPORT

A. Review of Preliminary Fiscal-Year-To-Date Financial Reports through September 2015
Executive Director Averett reviewed financial performance and noted that net positive gain and net equity were on track with expectations and audited FY2015 net equity. This is an information item and no action was taken.

B. Approval of Independently Audited FY2015 Financial Statements
Executive Director Averett reviewed financial performance and noted that net positive gain and net equity were attributable to additional member contributions, budgeted contributions and savings from insurance premium costs being lower than budget and no known additional claims. All previous auditor comments have been successfully addressed.
Action: Moved and seconded (Schwarz/Rogers) to approve Independently Audited FY2015 Financial Statements
AYES: Nordhoff, Schwarz, Rogers
NOES: None
ABSTAIN: None

5. OLD BUSINESS

A. Update on the Dental Pool
Executive Director Averett noted that Mendocino County’s entry to the pool is expected in the first quarter of 2016. This is an informational item and no action was taken.

B. Update on the Medical Pool (PACE JPA)
Administrative Services Director Bower stated that PACE had joined a larger pool, which enabled MSA to replace United Health with an Anthem plan, resulting in greatly expanding the provider access for employees. The larger pool also should help stabilize rates because MSA is now part of a pool covering 1500 employees. The Executive Committee suggested that staff explore the opportunity of MSA and PACE helping other agencies with their significant long-term OPEB issues. This is an informational item and no action was taken.

6. NEW BUSINESS – None.

7. **ADJOURNMENT** – The meeting adjourned at 9:13 a.m. The next regular meeting is scheduled for February 18, 2016 at 1:00 p.m. in Dublin.

TO: BOARD OF DIRECTORS **BOD Meeting: 2-18-2016**
FROM: Richard Averett, Executive Director/Chief Financial Officer **Item: 4A**
SUBJECT: FINANCIAL REPORT ANALYSIS

RECOMMENDATION

No action is required of the Board. These are informational, preliminary financial reports through December 2015, and are attached for review.

ANALYSIS

All reports are draft and unaudited. Fiscal year to-date (FYTD), the net income for the JPA was \$121,242. Through the same period, net equity for the JPA was \$1,812,068. Positive financial performance has continued consistently due to the JPA's reliance on member dues from RGS and LGS, and relatively stable expenditures including no claims expenses during the period.

Municipal Services Authority
Profit & Loss
July through December 2015

	<u>TOTAL</u>
Income	
440410 - Member Contributions	228,498
Total Income	<u>228,498</u>
Expense	
520100 - Broker Expense	21,834
520200 - Admin Fee Expense	19,998
520300 - Gen Liability Insur Exp	29,802
520400 - Worker Comp Insur Exp	32,622
520600 - Actuarial Services	3,000
Total Expense	<u>107,256</u>
Net Income	<u><u>121,242</u></u>

Municipal Services Authority
Balance Sheet
As of December 31, 2015

	<u>Dec 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
110010 - Union Bank Cash	4,000
Total Checking/Savings	<u>4,000</u>
Accounts Receivable	
120100 - Due From/To RGS-LGS	2,686,946
Total Accounts Receivable	<u>2,686,946</u>
Other Current Assets	
130100 - Prepaid Expenses	84,260
Total Other Current Assets	<u>84,260</u>
Total Current Assets	<u>2,775,206</u>
TOTAL ASSETS	<u><u>2,775,206</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
260001 - IBNR - GL	25,000
260002 - IBNR - WC	50,000
260010 - Workers Comp Claims Liab - LGS	25,074
260011 - General Liability Claims - LGS	59,868
260020 - Workers Comp Claims Liab - RGS	157,719
260021 - General Liability Claims - RGS	645,478
Total Long Term Liabilities	<u>963,139</u>
Total Liabilities	963,139
Equity	
320000 - Unrestricted Net Assets	1,690,828
Net Income	121,240
Total Equity	<u>1,812,068</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,775,207</u></u>

TO: BOARD OF DIRECTORS **BOD Meeting: 02-18-2016**
FROM: Richard Averett, Executive Director **Item: 6A**
**SUBJECT: AMMENDMENTS TO JOINT POWERS AGREEMENT TO PROVIDE
MEMBER INDEMNITY AND TO ADD ASSOCIATE MEMBERSHIP**

RECOMMENDATION

Recommend to Member Agencies that they approve amending the Restated Joint Powers Agreement to add a Member Indemnification provision and to add an Associate Membership category.

BACKGROUND

The Joint Powers Agreement was approved January 2012 and its ByLaws amended in August 2014 to allow for two RGS Member representatives. In a recent review, JPA legal counsel identified an additional measure that might enhance protection of Member Agencies and another that might enhance protection for the JPA and client agencies from adverse determinations of employer/employee status. Any amendment to the joint powers agreement would require approval by a majority vote of the Member Agencies' governing bodies.

PROPOSED CHANGES

1. Member Agencies already have low exposure to claims upon the JPA. The existing Agreement provides that JPA "debts, liabilities and obligations shall not be the debts, liabilities and obligations of its members." However, by amending the Agreement to provide that the JPA will indemnify the Member Agencies for any liability of the Member Agencies related to JPA operations, an additional assurance could be added. Proposed language to be added is as follows:

MSA shall indemnify, defend and hold harmless the Members from and against any and all losses, liability, claims suits, actions, damages, causes of actions, and costs, including but not limited to reasonable attorneys' fees, arising out of the operation of MSA, except when such liability arises due to the sole negligence or willful misconduct of the Member.

2. The current Amended and Restated Joint Powers Agreement allows for one type of membership in the JPA: "Member". Members have the power to hold office in the JPA, vote on JPA matters and approve new membership to the JPA. The Joint Exercise of Powers Act (Government Code § 6500 et seq.) empowers public agencies to exercise by cooperative action any existing power common to the contracting public entities. Section 6505 provides that, "One or more of the parties may agree to provide all or a portion of the services to the other parties in the manner provided in the agreement." Thus, JPAs have statutory authority to employ staff and provide services. In defining the term "employee," the *Cargill* Court held that unless given reason to conclude that the Legislature intended the term to have a different meaning, "we also can only adhere to the common law test." The Legislature has carved out a statutory exception to CalPERS exclusive reliance on the common law employment test.

By creating a non-voting JPA membership status it is believed that the same statutory employer protections afforded governing members can be extended to client agencies. If approved, Agreement amendment language will be prepared for the Member Agencies' consideration. For client agreements expected to cost a substantial amount (i.e. likely to require client governing body approval), the JPA template will be modified to include Associate Membership.

While this proposed amendment does not have immediate applicability to MSA, it might serve a useful role in expanding MSA benefit pools (such as dental and medical) or other collaboration roles MSA might undertake.

FISCAL IMPACT

If these amendments are approved for submittal to Member Agencies for their approval, and that approval is gained, additional legal services will be required during preparation and implementation of the changes. Legal costs are not expected to be significantly more than routinely incurred. If client agencies do not want to be associate members and take advantage of the additional protections afforded by it, there will be lost revenue opportunity. Missed revenue as a result of this change is not expected to be significant.



MUNICIPAL
SERVICES
AUTHORITY

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TO: BOARD OF DIRECTORS **BOD Meeting: 2-18-2016**
FROM: Richard Averett, Executive Director **Item: 6B**
SUBJECT: AUTHORIZE APPOINTMENT OF BOARD SECRETARY

RECOMMENDATION

Authorize the appointment of Tiffany Buraglio as Board Secretary.

BACKGROUND

The JPA Executive Director has served in this capacity for much of the JPA's existence, while many of the duties of the office have been completed by RGS part-time staff. As reporting requirements have increased, especially those requiring Board Secretary signature, it is appropriate to designate the staff who regularly perform the duties.

FISCAL IMPACT

There is no fiscal impact of this appointment.